GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3301
ANSWERED ON:19.08.2004
CLOSURE OF HEAVY ENGINEERING CORPORATION
Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the BIFR has finally recommended closure of Heavy Engineering Corporation;

(b) if so, the details thereof alongwith the efforts made by the Government to revive the HEC;

(c) whether the interest of workers and employees would be protected before its closure; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) Yes, Sir.

(b) The Board for Industrial & Financial Reconstruction (BIFR), on 6.7.2004 has recommended for winding up of heavy Engineering Corporation Limited (HEC) under Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

A number of revival packages have been implemented for HEC from 1972 to 1996. The last one which was sanctioned in 1996 has also been declared failed by BIFR. In the last 13 years itself Rs.890.32 crore have been infused by way of equity/loan/grant (under Plan Rs.144.67 crore and under Non-plan Rs.424.71 crore) and Rs.294.14 crore written off. However, another attempt is being made to study and scrutinize the possibilities and prospects of HEC revival. In the meanwhile, appeal is being preferred to AAIFR against the order of BIFR.

(c) & (d): Before the closure of the company, interest of the workers and employees would be protected by providing the benefits available under Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS).